# JUDGE SCHEINDLIN

06 CV 2021

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff, : COMPLAINT

- against - : 06 Civ.

KAUFMAN REALTY CORPORATION and 460 WEST 34th STREET ASSOCIATES,

Defendants.

Plaintiff United States of America, by its attorneys
Alberto Gonzales, the Attorney General of the United States, and

Michael J. Garcia, the United States Attorney for the Southern

District of New York, alleges as follows:

1. This is a civil action brought to redress discrimination on the basis of disability in violation of Title III of the Americans with Disabilities Act of 1990 ("ADA"), 42 U.S.C. §§ 12181 et seq., and its implementing regulation, 28 C.F.R. Part 36 (the "Regulation"). As set forth more fully below, the United States alleges that defendants, the owners and operators of a commercial office building, violated the ADA and its implementing Regulation when they refused to lease space to a social service

organization because that organization serves individuals with developmental disabilities.

### JURISDICTION AND VENUE

- 2. This Court has jurisdiction over this action pursuant to 42 U.S.C. § 12188(b)(1)(B) and 28 U.S.C. §§ 1331 and 1345.
- 3. Venue lies in this judicial district pursuant to 28 U.S.C. § 1391(b) because defendants reside in this district and the events or omissions giving rise to plaintiff's claims of discrimination occurred in this district.

### THE PARTIES

- 4. Plaintiff is the United States of America.
- 5. Upon information and belief, defendant Kaufman Realty Corporation ("Kaufman") is a New York corporation with an office located at 450 7th Avenue, New York, New York. Defendant Kaufman owns and manages commercial real estate in New York City. At all times relevant to this action, defendant Kaufman managed a commercial office building located at 460 West 34th Street, New York, New York.
- 6. Upon information and belief, defendant 460 West 34th Street Associates is a New York partnership with an office located at 450 7th Avenue, New York, New York. At all times relevant to this action, defendant 460 West 34th Street Associates owned the building located at 460 West 34th Street, New York, New York.

- 7. Upon information and belief, the building located at 460 West 34th Street (the "34th Street building") is a 21-story commercial office building with a number of commercial tenants. Street-level tenants include a liquor store, a pizzeria, and a delicatessen. Other tenants include a clothing manufacturer, an architectural firm, an insurance office, an engineering firm, a copy center, a social service agency, and a preschool.
- 8. The 34th Street building is a "place of public accommodation" within the meaning of Title III of the ADA, 42 U.S.C. § 12181(7); 28 C.F.R. § 36.104, because the operations of the facility affect commerce and because the facility includes, among other things, one or more "sales or rental establishments," "service establishments," "places of education," and "social service center establishments," 42 U.S.C. §§ 12181(E), (F), (J), & (K).
- 9. Defendants are "public accommodations" within the meaning of Title III of the ADA because they are private entities that "own" and/or "operate" the facility located at 460 West 34th Street and because they "lease to" each of the places of public accommodation within that facility. 42 U.S.C. § 12182(a); 28 C.F.R. § 36.104.

### FACTS

10. Sinergia, Inc. ("Sinergia") is a non-profit social service organization in New York, New York, serving individuals

with mental retardation and developmental disabilities and their families. Licensed by the New York State Office of Mental Retardation and Developmental Disabilities ("OMRDD"), Sinergia focuses on serving consumers with disabilities in low-income, minority communities.

- 11. Sinergia offers a number of programs and services, including family support service coordination, day/overnight respite services, medicaid service coordination, community residence placement, family care services, home care services, housing advocacy, parent education, and a day habilitation program. The day habilitation program serves approximately 35-40 adults with developmental disabilities in the development of social, recreational, vocational, and employment skills.
- 12. At all times relevant to this action, Sinergia was located at 15 West 65th Street, New York, New York. In early 2005, Sinergia was in the market for new space in New York City because its lease at 15 West 65th Street was due to expire in October, 2005, and could not be renewed.
- 13. In May and June of 2005, a commercial real estate broker showed available space on the second floor of the 34th Street building to representatives of Sinergia.
- 14. In June 2005, Sinergia advised defendants, through the broker, that Sinergia was interested in leasing the available space on the second floor of the 34th Street building.

- 15. In or about June 2005, Sinergia provided defendants, through the broker, information defendants had requested about Sinergia's programs and services. The information Sinergia provided included a description of its day habilitation program.
- the available space on the second floor of the 34th Street building, defendants retained an architect to prepare architectural plans that would reflect Sinergia's intended use of the space. Subsequently, in or about June 2005, representatives of each of defendants, Sinergia, and the broker toured the available space on the second floor of the 34th Street building with the architect retained by defendants.
- 17. On or about July 27, 2005, representatives of Sinergia, of defendants, and of the architectural firm retained by defendants toured the available space on the second floor of the 34th Street building together with a representative of OMRDD. During that visit, the individuals present (including a representative of defendants) reviewed the architectural plans for Sinergia's use of the space and discussed Sinergia's plans to use part of the space to provide services to adults with disabilities through its day habilitation program.
- 18. On or about July 28, 2005, Sinergia, through the broker, requested that defendants prepare a lease for the available space on the second floor of the 34th Street property.

- 19. On or about August 8, 2005, defendants' attorney sent Sinergia and its attorney a draft of the lease for the available space on the second floor of the 34th Street property. The draft lease provided, among other things, that the interior space would be built in accordance with architectural plans prepared by an architect retained by the landlord. The following day, defendants sent Sinergia architectural plans prepared by the architectural firm retained by defendants. Those drawings reflected Sinergia's plan to use part of the space for its day habilitation program.
- 20. Upon information and belief, in early August 2005, an existing tenant in the 34th Street building, which was aware of defendants' plans to lease the available space on the second floor to Sinergia, advised defendants that it objected to the operation of a day habilitation program for adults with disabilities on the second floor of the building.
- 21. On or about August 17, 2005, defendants notified Sinergia, through the broker, that defendants would not sign any lease with Sinergia if Sinergia used any part of the facility to operate its day habilitation program. At that time, defendants notified Sinergia, through the broker, that defendants had no objection to leasing the available space on the second floor of the 34th Street building to Sinergia provided that Sinergia used the space exclusively for executive and administrative offices (and

therefore not for a day habilitation program that would serve adults with developmental disabilities).

- 22. At the time defendants refused to lease space in the 34th Street building to Sinergia, defendants knew that Sinergia operated a day habilitation program that served adults with developmental disabilities, and knew that Sinergia intended to continue operating its day habilitation program at the 34th Street building.
- 23. Defendants refused to lease the available space on the second floor of the 34th Street building to Sinergia, and ultimately terminated the lease discussions with Sinergia, because Sinergia's day habilitation program serves adults with developmental disabilities.
- 24. As a result of defendants' actions, Sinergia was forced to accept less desirable space in another building.

### FIRST CLAIM FOR RELIEF (Associational Discrimination)

- 25. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 24 as if fully set forth in this paragraph.
- 26. Defendants discriminated on the basis of disability, in violation of Title III of the ADA, by excluding Sinergia from the 34th Street building, and by otherwise denying defendants' goods, services, facilities, privileges, advantages,

accommodations, or other opportunities to Sinergia, because of the known disabilities of the individuals with disabilities served by Sinergia and with whom Sinergia associates. See 42 U.S.C. § 12182(b)(1)(E); 28 C.F.R. § 36.205.

- 27. There is reasonable cause to believe that a person or group of persons have been discriminated against by this violation of Title III of the ADA and its implementing Regulation and that such discrimination raises an issue of general public importance. See 42 U.S.C. § 12188(b)(1)(B); 28 C.F.R. § 36.503.
- 28. Sinergia and the persons with disabilities served by Sinergia are aggrieved persons within the meaning of 42 U.S.C. § 12188(b)(2)(B) and have suffered, or may have suffered, damages in the form of economic loss and emotional distress as a result of defendants' discriminatory conduct.

## SECOND CLAIM FOR RELIEF (Imposition of Unlawful Eligibility Criteria)

- 29. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 24 as if fully set forth in this paragraph.
- 30. Defendants discriminated on the basis of disability, in violation of Title III of the ADA, by imposing eligibility criteria for their goods, services, facilities, privileges, advantages, and accommodations that screen out or tend to screen out individuals with disabilities from fully and equally enjoying

the goods, services, facilities, privileges, advantages, or accommodations of defendants. <u>See</u> 42 U.S.C.§ 12182(b)(2)(A)(i); 28 C.F.R.§ 36.301(a).

- 31. There is reasonable cause to believe that a person or group of persons have been discriminated against by this violation of Title III of the ADA and its implementing Regulation and that such discrimination raises an issue of general public importance. See 42 U.S.C. § 12188(b)(1)(B); 28 C.F.R. § 36.503.
- 32. Sinergia and the persons with disabilities served by Sinergia are aggrieved persons within the meaning of 42 U.S.C. § 12188(b)(2)(B) and have suffered, or may have suffered, damages in the form of economic loss and emotional distress as a result of defendants' discriminatory conduct.

# THIRD CLAIM FOR RELIEF (Failure to Make Reasonable Modifications to Policies, Practices, and Procedures)

- 33. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 24 as if fully set forth in this paragraph.
- 34. Defendants discriminated on the basis of disability, in violation of Title III of the ADA, by failing to make reasonable modifications to their policies, practices and procedures, when such modifications are necessary to afford defendants' goods, services, facilities, privileges, advantages, or accommodations to

individuals with disabilities. 42 U.S.C. § 12182(b)(2)(A)(ii); 28 C.F.R. § 36.302(a).

35. Sinergia and the persons with disabilities served by Sinergia are aggrieved persons within the meaning of 42 U.S.C. § 12188(b)(2)(B) and have suffered, or may have suffered, damages in the form of economic loss and emotional distress as a result of defendants' discriminatory conduct.

#### PRAYER FOR RELIEF

WHEREFORE, the United States of America prays that this Court enter judgment:

Declaring that defendants have violated Title III of the ADA and its implementing Regulation by: (1) excluding Sinergia from the 34th Street building, and by otherwise denying defendants' services, facilities, privileges, advantages, accommodations, or other opportunities to Sinergia, because of the known disabilities of the individuals with disabilities served by Sinergia and with whom Sinergia associates, 42 U.S.C. § 12182(b)(1)(E), 28 C.F.R. § 36.205; (2) imposing eligibility criteria for their goods, services, facilities, privileges, advantages, and accommodations that screen out or tend to screen out individuals with disabilities from fully and equally enjoying the goods, services, facilities, privileges, advantages, or accommodations of defendants, 42 U.S.C.§ 12182(b)(2)(A)(i), 28 C.F.R. § 36.301(a); and (3) failing to make reasonable

modifications to their policies, practices and procedures, when such modifications are necessary to afford defendants' goods, services, facilities, privileges, advantages, or accommodations to individuals with disabilities. 42 U.S.C. § 12182(b)(2)(A)(ii); 28 C.F.R. § 36.302(a).

- B. Ordering defendants to comply with Title III of the ADA and its implementing Regulation.
- C. Awarding monetary damages to persons who have been injured by defendants, including Sinergia and the persons with disabilities served by Sinergia, pursuant to 42 U.S.C. § 12188(b)(2)(B);
- D. Assessing civil penalties against defendants in amounts authorized by 42 U.S.C. § 12188(b)(2)(C); 28 C.F.R. § 36.504(a)(3), to vindicate the public interest; and

E. Granting such other relief as the interests of justice may require.

Dated: New York, New York
March 15, , 2006

ALBERTO GONZALES Attorney General

By:

WAN J. KIM / Assistant Actorney General Civil Rights Division

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